

BILL # SB 1322

TITLE: DPS employees; university tuition waiver

SPONSOR: O'Halleran

STATUS: As Introduced

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FISCAL ANALYSIS

Description

SB 1322 would provide university tuition waivers to Department of Public Safety (DPS) employees who meet university admission requirements and are pursuing a baccalaureate, masters or doctoral degree.

Estimated Impact

The bill is estimated to have a General Fund impact of \$27,000 in FY 2008 and grow to \$703,000 in FY 2013. Due to limited information as to the number of DPS employees that would take advantage of the tuition waivers, the actual General Fund cost is difficult to determine. The estimate is based on a set of simplifying assumptions. The estimated cost is determined by the state funded university Full-Time Equivalent (FTE) student enrollment formula, which averages \$7,300 per FTE student in FY 2007. These estimates only account for FTE students who otherwise would not have enrolled at the universities.

DPS would save an estimated \$29,600 in reimbursements currently given to degree seeking employees enrolled at the universities. The universities would lose an equivalent \$29,600 in tuition collections from these students.

Analysis

DPS currently offers a maximum reimbursement of \$1,000 per semester to an employee taking work related courses at an accredited institution. In FY 2006, a total of 79 DPS employees received tuition reimbursements for course work completed at the state universities. According to DPS, most of these employees are not enrolled in a degree program and almost all of the course work is completed at the bachelor's level. DPS does not, however, track the actual number of employees enrolled in a degree program. This analysis assumes 20 DPS employees, or 25% of those that received university tuition reimbursement in FY 2006, are currently enrolled in a bachelor's degree program.

DPS estimates that approximately 25 employees would enter a bachelor's degree program each year due to the tuition waivers provided in SB 1322. Since it is assumed that 20 DPS employees are already enrolled in a degree program, in FY 2008 the bill would result in a net increase of 5 employees enrolled. By FY 2013, the number of DPS employees enrolled in a bachelor's degree program would grow to 150, which would represent a net increase of 130 over 20 currently enrolled. This assumes that a full-time employee would take on average 6 years to earn a bachelors degree.

In FY 2007, the state university enrollment formula provided \$7,300 from the General Fund per each additional FTE student at the universities. The students would likely not be enrolled full-time at the universities due to their employment at DPS. Based on a 6-year term of enrollment, adding 5 students (headcount) in FY 2008 would be equivalent to 3.7 FTE's, while adding 130 students (headcount) in FY 2013 would result in 96.3 FTE's. Because the funding formula provides an additional \$7,300 per FTE student, the estimated cost for an additional 3.7 FTE students in FY 2008 would be \$27,000, and grow to \$703,000 for 96.3 FTE's in FY 2013. The enrollment formula cost of SB 1322 would apply only to students that would otherwise not have enrolled at the universities. The following table displays the additional headcount students that would enroll at the universities, the actual FTE student count, and the associated General Fund costs.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Headcount	5	30	65	80	105	130
FTE						
Students	3.7	22.2	48.1	59.3	77.8	96.3
General						
Fund						
Formula	\$27,000	\$162,200	\$351,500	\$432,600	\$567,800	\$703,000

DPS awards on average \$740 per semester per employee for work related course work. If 20 degree seeking employees in FY 2007 enroll in 2 semesters of course work at this average reimbursement rate, the total annual savings to DPS would be \$29,600 ($\$1,480 \times 20 = \$29,600$). As the universities would no longer receive these monies, the loss in tuition collections would be \$29,600. In addition, the bill would result in additional operating costs at the universities associated with the new students.

Local Government Impact

None

2/15/07